

ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**Street Light District No. 1
Maintenance Assessment District**

Annual Update for Fiscal Year 2004

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

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May 2003

CITY OF SAN DIEGO

Mayor

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District 5

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District 2

Donna Frye
District 6

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City Manager

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City Attorney

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City Clerk

Charles G. Abdelnour

City Engineer

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Assessment Engineer

Boyle Engineering Corporation

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Engineer's Report

Street Light District No. 1

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the STREET LIGHT DISTRICT NO. 1 MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: Street Light District No. 1
Maintenance Assessment District

Apportionment Method: Linear Frontage Foot (LFF)

	FY 2003	FY 2004 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Number of Sub-Districts:	57	57	--
Total Parcels Assessed:	13,284	13,282	--
Total Estimated Assessment:	\$275,015	\$285,668	--
Total Number of LFF:	835,863	835,787	--
Assessment per LFF:	-- ⁽³⁾	-- ⁽³⁾	-- ⁽³⁾

⁽¹⁾ FY 2004 is the City's Fiscal Year 2004, which begins July 1, 2003 and ends June 30, 2004. Total Parcels Assessed, Total Estimated Assessment, and Total Number of LFF may vary from fiscal prior year values due to parcel changes.

⁽²⁾ Maximum Authorized annual amounts subject to cost indexing provisions as set forth in this Engineer's Report.

⁽³⁾ Unit assessment rate (\$/LFF) varies by Sub-District. Refer to Table 1 in Engineer's Report for unit assessment rate by Sub-District.

District History: The District was established in July 1970. The District was balloted in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, majority property owners (68.61% of the weighted vote) approved Fiscal Year 1998 assessments, and provisions for annual cost indexing.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is required for Fiscal Year 2004.

Bonds: No bonds will be issued in connection with this District

Background

The San Diego Street Lighting District No. 1 Maintenance Assessment District (District) was established July 1970. The original Engineer's Report is on file in the City of San Diego (City) Clerk's office. The District provides funding for the energy and maintenance costs for lighting levels above City standard. New lighting areas may be added to the District by annexation as sub-districts. The District currently consists of fifty-seven (57) sub-districts located throughout the City as generally depicted in Exhibit A.

The District was balloted in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, property owners approved the District with 68.61% of weighted votes supporting the proposed assessments. Over 36% of property owners responded to the mail ballot. The Engineer's Report, preliminarily accepted in Fiscal Year 1998 by Resolution Number R-288824 on June 8, 1997, proposed Fiscal Year 1998 assessments and provisions for annual cost indexing of the maximum authorized assessments. The Engineer's Report was approved and assessments confirmed by Resolution Number R-289046 on August 5, 1997.

District Proceedings for Fiscal Year 2004

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Procedural Ordinance of 1986" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law").

The purpose of the proposed proceedings and this Engineer's Report is to update the District budget and assessments for Fiscal Year 2004. The Fiscal Year 2004 assessments proposed within this Engineer's Report represent a 3.95% increase over the previous year's assessments. This increase is under the authority of annual cost indexing provisions approved by property owners. Therefore, the vote

requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map & Assessment Diagram for the District is on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego and by reference is made a part of this report. The Boundary Map & Assessment Diagram is available for public inspection during normal business hours. The general location of each sub-district is depicted in Exhibit A.

Project Description

The project to be funded by the proposed assessments is the energy and maintenance costs of lighting facilities above the City standard. The necessary service includes, but is not limited to, supplying electrical energy, replacing lamps and glassware, and providing maintenance to lighting fixtures and poles.

The engineering drawings for the improvements maintained by the District are on file at Map Records in the City Engineer's office and are incorporated herein. The specifications for maintenance to be performed are contained in City contracts on file with the City Clerk and the Park and Recreation Department. The specifications are available for public inspection during normal business hours.

Separation of General and Special Benefits

Consistent with City policy for the public at large, the City provides maintenance service and electrical energy for "safety lighting" throughout the City. Such lighting constitutes a "general benefit" standard level of service provided by the City. Approximately 40% of

the street lights within the boundaries of the sub-districts are required for safety lighting. The City's general benefit contribution to the District is in the form of in-kind maintenance service. All other maintenance, operation, and energy costs, which exceed the City's cost of providing this safety lighting, are "special benefits" funded by the District. For Fiscal Year 2004, the general benefit cost of safety lighting within the District is estimated to be \$168,534.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2004 annual expenses, revenues, reserves, and assessments (provided by the City) for the District are included as Exhibit B hereto.

Annual Cost Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 1998, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 1998 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal

Year 1999 was the first year authorized for such indexing. It has been determined that an increase, as authorized by the cost indexing provisions, is required for Fiscal Year 2004.

Method of Apportionment

Estimated Benefit of the Improvements

It is estimated that the special benefit received by each parcel is directly proportional to the linear front footage (LFF) of each parcel fronting the enhanced lighting corridor. Energy and maintenance costs for each sub-district within the District are based on the type, wattage, and the number of lights, lighting fixtures and poles in each sub-district. Prorated shares of the total District major maintenance and repair costs and the incidental costs are also added to individual sub-district costs. For each sub-district, the estimated costs of maintenance and energy were divided by the total LFF within the sub-district to determine a unit assessment rate per LFF. Table 1 on the following page provides a summary of unit assessment rates by sub-district.

Table 1: Sub-District Costs & Information
Street Light District No. 1 Maintenance Assessment District

Sub-District Number	Sub-District Name	Parcel Count	Lineal Front Footage (LFF)	FY 2004 ⁽¹⁾	
				Unit Cost	Total Cost
3	Frontage Road	12	1,714.00	\$0.8243	\$1,412.94
4	Russell Heights	83	6,053.00	\$0.1361	\$824.72
5	University Avenue #3	156	13,139.45	\$0.9974	\$13,106.20
7	Loma Palisades	400	10,605.00	\$0.1359	\$1,446.08
8	Mission Valley #2	40	11,845.00	\$1.0830	\$12,828.28
9	La Jolla Shores	404	20,607.00	\$0.1936	\$3,990.54
10	University City	76	4,712.00	\$0.1016	\$478.80
11	Adams Avenue	94	5,674.00	\$0.7026	\$3,987.00
12	Sunset Cliffs #2	217	15,587.00	\$0.0413	\$644.52
13	Pacific Hwy #1	45	12,967.07	\$0.9177	\$11,900.20
16	Sunset Cliffs #1	1,027	75,124.00	\$0.0292	\$2,199.66
17	La Jolla #1	367	22,654.48	\$0.4892	\$11,084.76
18	Presidio Hills ⁽²⁾	70	6,563.00	\$0.0000	\$0.00
19	Mission Valley #1	3	4,844.00	\$1.0725	\$5,195.22
20	University Avenue #2	119	10,368.00	\$0.8479	\$8,791.76
24	San Geronio	36	4,377.00	\$0.3148	\$1,378.00
25	Hermosa #1	59	4,949.00	\$0.1600	\$791.84
26	Kensington	765	51,109.00	\$0.1246	\$6,373.32
27	College Park #1	312	23,957.00	\$0.2884	\$6,910.30
28	Collwood #1	128	8,289.00	\$0.1319	\$1,094.08
30	Five Points	98	5,249.00	\$1.0415	\$5,466.86
33	Ocean Beach #1 ⁽²⁾	205	10,337.99	\$0.0000	\$0.00
34	Pacific Beach #1	845	42,839.00	\$0.2888	\$12,374.54
35	Roseville #1	154	9,606.00	\$0.2980	\$2,862.78
36	Midway Drive	115	10,749.00	\$0.9179	\$9,866.90
37	Logan Avenue	51	2,581.00	\$0.7445	\$1,922.02
38	Cabrillo Palisades	63	5,669.00	\$0.3740	\$2,120.16
39	Montemar #1	127	8,841.00	\$0.3196	\$2,826.26
40	Pacific Beach #2	44	1,819.00	\$0.2311	\$420.60
41	7th Avenue	76	1,367.00	\$0.2910	\$397.76
42	8th Avenue	18	1,185.00	\$0.2529	\$299.90
43	Garnet Avenue	207	8,782.00	\$0.9558	\$8,395.14
44	Crown Point #1	131	7,648.00	\$0.3295	\$2,520.98
47	Rolando #1	407	25,580.00	\$0.2873	\$7,352.92
48	Rolando #2	455	34,785.00	\$0.1319	\$4,590.98
49	College Grove #1	116	13,309.00	\$0.3258	\$4,337.38
50	College View #1	33	2,742.00	\$0.2677	\$734.22
52	Loma Portal #1	839	54,608.00	\$0.1708	\$9,329.76
53	6th Avenue	164	4,785.02	\$1.3279	\$6,355.06
54	Golden Hill	1,706	79,535.88	\$0.5762	\$45,841.18
58	Emerald Hill Estate	400	29,116.00	\$0.1236	\$3,600.52
59	Linda Vista	91	13,413.01	\$0.5025	\$6,740.62
60	Mission Boulevard	42	5,276.00	\$0.7358	\$3,882.36
61	Stockton	204	12,264.00	\$0.3208	\$3,934.90
67	Market Street	32	2,049.00	\$0.8121	\$1,664.30
68	Newport Avenue (Incl Ocean Beach #2) ⁽²⁾	198	14,277.00	\$0.0000	\$0.00
69	Five Creek	605	15,658.00	\$0.2040	\$3,197.20
71	Scripps Miramar	723	50,950.24	\$0.2134	\$10,875.62
72	25th Street ⁽²⁾	40	3,107.00	\$0.0000	\$0.00
73	Talmadge Park	375	22,849.00	\$0.2454	\$5,609.52
74	Eastgate Technology Park	2	1,921.00	\$0.9696	\$1,862.60
75	Robinhood Creek	68	2,176.00	\$0.7474	\$1,626.56
80	Uptown (San Diego #2)	81	7,057.00	\$1.4839	\$10,472.42
81	Adams Avenue #2	64	4,327.00	\$1.2152	\$5,258.40
82	Adams Avenue #3	20	1,220.00	\$1.6749	\$2,043.54
84	Mission Valley #3	6	2,908.66	\$0.3715	\$1,080.58
85	Carmel Valley ⁽³⁾	64	62.00	\$22.0060	\$1,365.24

TOTALS	13,282	835,787	-	\$285,668
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⁽¹⁾ FY 2004 is the City's Fiscal Year 2004, which begins July 1, 2003 and ends June 30, 2004.

⁽²⁾ Historic lighting district. District costs currently funded by other source.

⁽³⁾ Uniform assessment per parcel.

Summary Results

The general location of each sub-district is presented in Exhibit A.

An estimate of the costs of the improvements provided by the District is included as Exhibit B to this report.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, the LFF and Fiscal Year 2004 District assessment for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2004 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE C 52792

Alex Bucher, EIT CA 112628

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram was recorded in my office on the _____ day of _____, 2003.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A

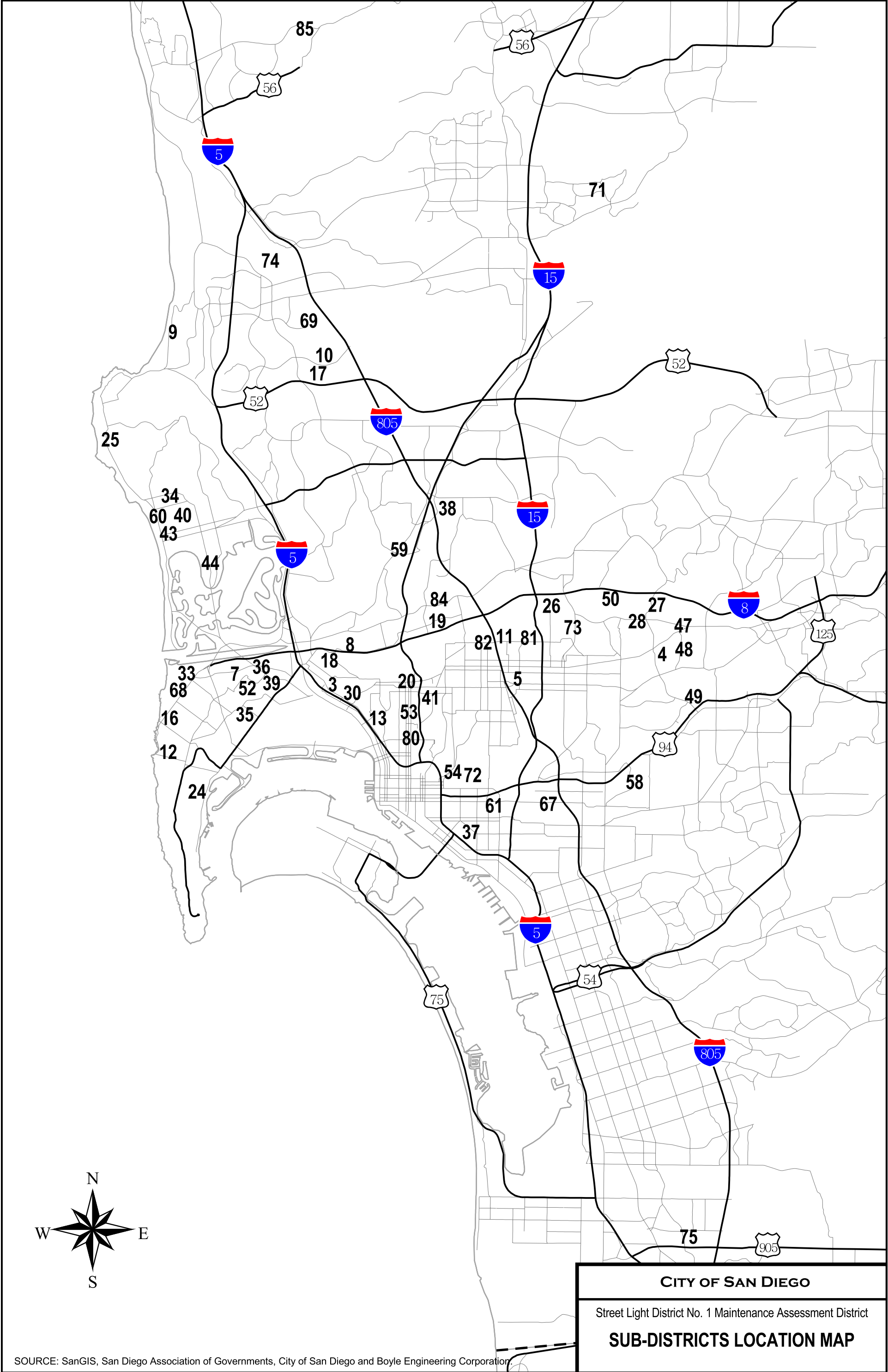


EXHIBIT A

EXHIBIT B

Maintenance Assessment Districts

Council District: All
Fund: 70210

Street Light District No. 1

Street Light District No. 1 Maintenance Assessment District			
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
Positions	0.00	0.00	0.00
Personnel Expense	\$ -	\$ -	\$ -
Non-Personnel Expense	553,696	592,970	499,001
TOTAL	\$ 553,696	\$ 592,970	\$ 499,001

The Street Light District No. 1 Maintenance Assessment District (District) was established in 1970 and, within its boundaries, includes lights that meet the City standard (general benefit) and lights that provide special benefit beyond the City standard. The District's budget covers the maintenance costs (repair and energy) of both types of lights. Therefore, the City's Street Division contributes its proportionate share of the cost of maintenance to the District each year for the general benefit. This cost varies each year, primarily based on differences in repair needs and energy from year to year. Out of 85 original Sub-districts, 57 remain and are spread throughout the City. The other 28 Sub-districts were incorporated into other Maintenance Assessment Districts that formed after 1970.

The Fiscal Year 2004 Proposed Budget is based on estimated maintenance and energy costs as provided by the Transportation Department, Streets Division. Indexing the assessments by the San Diego Urban Consumer Price Index (SDCPI-U) is generally not permissible for most sub-districts, so the Property Assessments cannot increase annually to keep pace with rising maintenance costs. Fiscal Year 2004 expenditures are reduced as a result of this constraint. The District does not have an established oversight committee.

STREET LIGHT DISTRICT NO. 1	FY 2003 ESTIMATE	FY 2004 PROPOSED	
BALANCE	\$ 103,058	\$ 40,799	
Revenue			
Property Assessments	\$ 275,015	\$ 285,668	(1)
Interest	4,000	4,000	
Electric Services - Lighting District	314,726	168,534	(2)
TOTAL OPERATING REVENUE	\$ 593,741	\$ 458,202	
TOTAL REVENUE AND BALANCE	\$ 696,799	\$ 499,001	
Expense			
Electrical Energy	\$ 231,000	\$ 164,581	
Maintenance-Operations	425,000	323,767	
Contingency Reserve	-	10,653	
TOTAL EXPENSE	\$ 656,000	\$ 499,001	
BALANCE	\$ 40,799	\$ -	

(1) The assessment to the District for Fiscal Year 2004 is \$285,668. Assessment costs vary for each Sub-district depending on the number and type of lights. Sub-district costs are divided by the amount of Linear Front Footage (LFF) within each Sub-district to calculate a rate for each Sub-district, with the exception of Sub-district #85 which is divided by the number of benefiting units. Assessments range from \$0.0292 per LFF to \$1.6749 per LFF. Unit assessment rates for Fiscal Year 2004 increased based on the San Diego Urban Consumer Price Index (SDCPI-U) of 3.95 percent.

(2) Due to a onetime reimbursement in Fiscal Year 2003, the estimated Electrical Services-Lighting District revenue will be lower in Fiscal Year 2004.

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.